
By: **Chairman, Appropriations Committee**
Rules suspended
Introduced and read first time: March 11, 2002
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State Police Retirement System - Service Retirement Benefits and Deferred**
3 **Retirement Option Program**

4 FOR the purpose of altering the formula for computing the retirement allowance of
5 certain members of the State Police Retirement System; altering the years of
6 eligibility service required for a normal service retirement under the System;
7 altering the normal service retirement allowance limit under the System;
8 altering the Deferred Retirement Option Program eligibility requirements and
9 participation limits; and generally relating to the State Police Retirement
10 System.

11 BY repealing and reenacting, with amendments,
12 Article - State Personnel and Pensions
13 Section 24-401 and 24-401.1(c) and (d)
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 2001 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - State Personnel and Pensions**

19 24-401.

20 (a) A member may retire with a normal service retirement allowance if:

21 (1) on or before the date of retirement, the member:

22 (i) has at least [22] 20 years of eligibility service; or

23 (ii) is at least 50 years old; and

24 (2) the member completes and submits a written application to the
25 Board of Trustees, on the form that the Board of Trustees provides, stating the date
26 when the member desires to retire.

1 (b) (1) Subject to the approval of the Board of Trustees, the Secretary of the
2 State Police may order a member who is at least 50 years old to retire on the first day
3 of the month after the member is notified of the Secretary's order.

4 (2) Before approving the Secretary's order, the Board of Trustees shall
5 give the member at least 30 days' notice and an opportunity to be heard.

6 (c) Except for the Secretary of the State Police, a member shall retire with a
7 normal service retirement allowance not later than the first day of the month after
8 the member becomes 60 years old.

9 (d) (1) Except as provided in paragraph (2) of this subsection, on retirement
10 under this section, a member is entitled to receive a normal service retirement
11 allowance that equals ~~2.55%~~ 2.75% of the member's average final compensation
12 multiplied by each year of the member's years of creditable service.

13 (2) A member's normal service retirement allowance may not exceed
14 ~~71.4%~~ 77% of the member's average final compensation.

15 (e) (1) Subject to paragraph (2) of this subsection, a retiree, or a beneficiary
16 of a retiree, who retires on or before June 30, 1999 with a service retirement
17 allowance, shall receive an annual retirement allowance adjustment as of July 1,
18 1999, as follows:

19 (i) for a retiree who has been retired not more than 5 years, \$1,200;

20 (ii) for a retiree who has been retired more than 5 years but not
21 more than 10 years, \$1,500;

22 (iii) for a retiree who has been retired more than 10 years but not
23 more than 15 years, \$1,800; and

24 (iv) for a retiree who has been retired more than 15 years, \$2,100.

25 (2) Each fiscal year, the Board of Trustees shall increase the adjustment
26 received by the retiree or the beneficiary as of July 1, 1999, by multiplying the
27 adjustment by a fraction that has:

28 (i) as its numerator, the consumer price index for the calendar year
29 ending December 31 of the preceding fiscal year; and

30 (ii) as its denominator, the consumer price index for the calendar
31 year ending December 31, 1998.

32 24-401.1.

33 (c) (1) Except for the Secretary of the State Police, a member of the State
34 Police Retirement System is eligible to participate in the DROP if the member:

35 (i) has at least ~~22~~ 20 and less than 28 years of eligibility service;
36 and

1 (ii) is less than 60 years old.

2 (2) The Secretary of the State Police is eligible to participate in the
3 DROP if the Secretary has at least [22] 20 years of eligibility service.

4 (d) An eligible member may elect to participate in the DROP for a period not
5 to exceed the lesser of:

6 (1) [4] 5 years;

7 (2) the difference between 28 years and the member's eligibility service
8 as of the date of the member's election to participate in the DROP and retire from the
9 State Police Retirement System;

10 (3) the difference between age 60 and the member's age as of the date of
11 the member's election to participate in the DROP and retire from the State Police
12 Retirement System; or

13 (4) a term selected by the member.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
15 effect July 1, 2002.